

Committees:	Dates:
Corporate Projects Board – for decision Operational Property & Projects Sub <i>[for decision]</i> Port Health & Environmental Services Committee <i>[for Decision]</i>	06 July 2022 20 July 2022 22 July 2022
Subject: Cemetery Excavator Report Unique Project Identifier: <i>PV Project ID confirmed post CPB via PMO</i>	Gateway 1-5 Authority to Start Work Light
Report of: Environment Department Choose an item. Report Author: Gary Burks	For Decision
<h1>Public</h1>	

Recommendations

<p>1. Approval track, next steps and requested decisions</p>	<p>Project Description: The City of London Cemetery seeks permission to replace an aging JCB CX Midi excavator. The proposed replacement is a JCB 3CX excavator which is the most suitable vehicle for the range of work carried out at the cemetery.</p> <p>Next Gateway: Gateway 6 Outcome Report</p> <p>Next Steps:</p> <p>If approval for this purchase is granted the next steps are to go to market with the assistance of the procurement team, procure the vehicle and receive delivery at the earliest convenient time. Funding for the vehicle has been agreed and will come from the cemetery and crematorium reserve fund.</p> <p>The Vehicle purchase has been agreed by the Transport Co-ordinating Group</p> <p>Requested Decisions:</p> <p><i>Please populate the financial information as structured below. Set out any decisions needed for this paper, if the paper is going to multiple committees note which decisions apply to which committee. Town Clerks Committee Clerks can assist you with committee terms of reference. CRP is not mandatory but can be requested if deemed necessary for projects where the G2 was approved post April 2019.</i></p> <ol style="list-style-type: none"> 1. That budget of £90,000 is approved for the purchase of this vehicle in order to reach the next Gateway.
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	<ol style="list-style-type: none"> 2. Note the project budget of £90,000 (excluding risk); 3. Note the total estimated cost of the project is currently at £90,000 (excluding risk); 4. That no Costed Risk Provision is approved due to the fact that this is a straightforward vehicle purchase. 5. That option 1, the purchase of a JCB 3CX Compact is approved. 												
<p>2. Budget</p>	<table border="1" data-bbox="528 483 1390 952"> <thead> <tr> <th data-bbox="528 483 762 629">Item</th> <th data-bbox="762 483 1007 629">Reason</th> <th data-bbox="1007 483 1198 629">Funds/ Source of Funding</th> <th data-bbox="1198 483 1390 629">Cost (£)</th> </tr> </thead> <tbody> <tr> <td data-bbox="528 629 762 882">JCB 3CX Compact Excavator</td> <td data-bbox="762 629 1007 882">Grave Digging and other maintenance activities at the City of London Cemetery</td> <td data-bbox="1007 629 1198 882">Local Risk Budget from Cemetery Reserve Fund</td> <td data-bbox="1198 629 1390 882">£90,000</td> </tr> <tr> <td data-bbox="528 882 762 952">Total</td> <td data-bbox="762 882 1007 952"></td> <td data-bbox="1007 882 1198 952"></td> <td data-bbox="1198 882 1390 952">£90,000</td> </tr> </tbody> </table> <p data-bbox="528 992 1437 1099">There is no Costed Risk Provision requested for this Gateway: as this is straightforward vehicle purchase of a vehicle.</p>	Item	Reason	Funds/ Source of Funding	Cost (£)	JCB 3CX Compact Excavator	Grave Digging and other maintenance activities at the City of London Cemetery	Local Risk Budget from Cemetery Reserve Fund	£90,000	Total			£90,000
Item	Reason	Funds/ Source of Funding	Cost (£)										
JCB 3CX Compact Excavator	Grave Digging and other maintenance activities at the City of London Cemetery	Local Risk Budget from Cemetery Reserve Fund	£90,000										
Total			£90,000										
<p>3. Governance arrangements</p>	<ul style="list-style-type: none"> • <u>Select</u> Service Committee responsible (Port Health and Environmental Services Committee) • Name of Senior Responsible Officer and their role (Juliemma McLoughlin Executive Director, Executive Director, Environment Department) • <u>Select</u> whether a project board is appropriate. This is a simple procurement exercise, therefore there is no need for a project board. <p data-bbox="528 1585 1437 1659"><i>Guidance on project boards and other governance arrangements can be found in the Project Toolkit</i></p>												
<p>4. Progress reporting</p>	<p>Monthly updates to be provided via Project Vision and any project changes will be sought by exception via Issue Report to Spending and Projects Sub Committees</p>												

Project Summary

<p>5. Context</p>	<p>1. The Cemetery and Crematorium carries out approximately 800 burials each year and almost all of these graves are excavated by machine.</p> <p>2. All new lawn graves are dug using an excavator (JCB) and the last two years of pandemic have required it to carry out a more significant workload, reducing the life expectancy of the vehicle slightly.</p> <p>3. The JCB is now eight years old, is becoming unreliable, the model is now obsolete, and parts are now becoming difficult to purchase and it now the appropriate time to replace this vital piece of cemetery equipment.</p>
<p>6. Brief description of project</p>	<p>1. The Project is a straightforward procurement exercise that will be carried out by the City's procurement team. The Cost of the purchase means that the gateway process is required.</p> <p>2. The project is being brought forward at this time as the replacement is necessary for the smooth running of the service.</p>
<p>7. Consequences if project not approved</p>	<p>1. If this project/purchase is not approved the cemetery and crematorium would be at risk of not being able to excavate graves for burial in the very short term if/when the current machine fails, and for the negative publicity and reputation that this would create.</p> <p>2. In the longer term the lack of a reliable excavator would mean a reliance on a hired vehicle and the costs that this would involve. Without this, all income from the sale of new graves and burials (£2.9M last year) would ultimately be at risk.</p>
<p>8. SMART project objectives</p>	<p>1. This Project is required to achieve the timely purchase of a suitable excavator for the City of London Cemetery to ensure that we continue to meet the needs of the bereaved in providing burial provision.</p> <p>2. The purchase needs to meet CoL procurement requirements including value for money.</p> <p>3. The purchase needs to be made by September 2022 and the vehicle in place as soon as is practical after that.</p> <p>4. The new vehicle needs to be as suitable but more efficient and reliable than the 8-year-old outgoing vehicle.</p>
<p>9. Key Benefits</p>	<p>The purchase of this vehicle will ensure a reliable burial service to the bereaved, bring in significant income each year, be more fuel efficient than and produce less emissions than the vehicle it replaces.</p>

10. Project category	3b. Income generating
11. Project priority	A. Essential
12. Notable exclusions	None

Options Appraisal

13. Overview of options	<p>Sadly, there are very few vehicles of the size and with the specifications required on the market and the only real option is the JCB 3CX Compact (Option 1)</p> <p>We have included a Volvo backhoe digger (Option 2) for comparison purposes, but it is too large and is therefore less versatile than the JCB and not recommended.</p> <p>We have also listed the option to do nothing (Option 3) but again, this is not really an option as we aim to continue providing burial services at the cemetery and the vehicle is required.</p>
14. Risk	<p>Overall project risk: Low</p> <p>The only real risk is if we cannot or do not purchase a new vehicle. The proposed vehicle replaces one that is at the end of its working life and it is therefore prudent to replace it now. The proposed replacement is a very similar to the existing vehicle (although more efficient and modern, with better emissions).</p> <p>For this reason, a risk register has not been included in this report.</p> <p>Further information available within the Options Appraisal.</p>

Resource Implications

15. Total estimated cost	<p>For recommended option</p> <p>Total estimated cost (excluding risk): £90,000.</p> <p>Total estimated cost (including risk): £90,000 as there is no risk attached to the recommended option</p>							
16. Funding strategy	<p>Is the funding confirmed:</p> <p>All funding fully guaranteed</p>	<p>Who is providing funding:</p> <p>Internal - Funded wholly by City's own resource</p>						
<p>Recommended option</p> <table border="1"> <thead> <tr> <th>Funds/Sources of Funding</th> <th>Cost (£)</th> </tr> </thead> <tbody> <tr> <td>From Cemetery Reserve fund</td> <td>90,000</td> </tr> <tr> <td></td> <td></td> </tr> </tbody> </table>			Funds/Sources of Funding	Cost (£)	From Cemetery Reserve fund	90,000		
Funds/Sources of Funding	Cost (£)							
From Cemetery Reserve fund	90,000							

	Total	£90,000

List all potential sources of funding for the whole project, not just to get to the next gateway

Comment on affordability and competing demands for funding sources.

Appendices

Appendix 1	Project Briefing
Appendix 2	PT1 Procurement Form

Contact

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Email Address	<u>Gary.burks@cityoflondon.gov.uk</u>
Telephone Number	

Options appraisal table.

Delete option numbers as appropriate

	<i>Option 1</i>	<i>Option 2</i>	<i>Option 3</i>
1. Design Summary	Purchase a new JCB 3 CX Compact Plus with 12' extending dipper.	Purchase a BL61B Backhoe excavator (the only similar sized vehicle available at present).	Do not purchase a new excavator
2. Scope and exclusions	<p>Purchase new JCB Excavator as above though the City's procurement team.</p> <p>When new Vehicle is on site, sell off the old JCB using the City's recognised auctioneers and return moneys from the sale to the reserve fund, as agreed by PHES Committee</p>	<p>Purchase the Volvo BL61B Excavator through the City's Procurement Team.</p> <p>When new Vehicle is on site, sell off the old JCB using the City's recognised auctioneers and return moneys from the sale to the reserve fund, as agreed by PHES Committee</p>	<p>Do Nothing.</p> <p>However, the old vehicle will start to fail and the cemetery will not be able to maintain burial provision and the other work that this versatile vehicle completes unless we can find a plant hire company with a suitable vehicle in stock at short notice.</p>
<i>Project Planning</i>			
3. Programme and key dates	This is a simple purchase and once agreed the procurement team with seek value for money and follow all City processes for the purchase. Only then will we know that waiting time for delivery	This is a simple purchase and once agreed the procurement team with seek value for money and follow all City processes for the purchase. Only then will we know that waiting time for delivery	As this option is to do nothing there is no programme.

	Option 1	Option 2	Option 3
4. Delivery Team	Cemetery Superintendent and Procurement Team	Cemetery Superintendent and Procurement Team	No delivery team required
5. Risk implications	<p>Overall project option risk: Low as it is a straightforward procurement. The risk level is based on this option being approved</p> <p>This option has no real risks other than the time delays in procurement and delivery, however the current vehicle is still operational and being serviced by the cemetery in-house fitter.</p> <p>Recommended</p>	<p>Overall project option risk: Medium</p> <p>Not Recommended as the vehicle is too large and not an ideal match for the cemetery environment. The Volvo is of a similar cost but due to the larger size will not be as versatile as the JCB.</p> <p>Not Recommended</p>	<p>Overall project option risk: High</p> <p>Not Recommended</p>
6. Benefits	This vehicle is by far the best available, is the most versatile vehicle of its size on the market and our experience of previous models is that they are very reliable.	The power of the vehicle is a benefit.	None
7. Disbenefits	Cost	The vehicle is longer, wider and heavier than the JCB and will be less versatile and manoeuvrable and would do more damage to the burial sites in wet conditions.	Doing nothing will not deal with the issue of us having an ageing excavator and we cannot operate without one.

	<i>Option 1</i>	<i>Option 2</i>	<i>Option 3</i>
		Also the cost is similar to the JCB which is an ideal machine.	
8. Stakeholders and consultees	As this is a piece of operational equipment/vehicle we have not consulted stakeholders but have consulted staff.	As this is a piece of operational equipment/vehicle we have not consulted stakeholders but have consulted staff.	No consultation has taken place but there is clear evidence that the equipment/vehicle is required.
Resource Implications			
9. Total estimated cost	<p>Total estimated cost (excluding risk):</p> <p>Purchase Cost £90,000</p> <p>Maintenance Costs £5,000 per year from local risk budget £50,000 for the life of the vehicle.</p> <p>As this make of vehicle is known to us, we are quite confident of the maintenance costs</p> <p>Total estimated cost: £140,000 for the lifetime of the ownership of the vehicle with an estimated residual value of £15,000 to £20,000 after the 10 years lifecycle has been completed.</p>	<p>Total estimated cost (excluding risk):</p> <p>Purchase Cost £90,000</p> <p>Maintenance Costs £5,000 per year from local risk budget £50,000 for the life of the vehicle.</p> <p>As this make of vehicle is not known to us, we are not confident of the maintenance costs</p> <p>Total estimated cost: £140,000 for the lifetime of the vehicle with an estimated residual value of £15,000 to £20,000</p>	<p>This option is to do nothing, therefore the outlay is zero but there is an obvious risk because we do not propose to cease grave digging activities.</p> <p>The old vehicle will start to fail and the costs to the city will be reputational and monetary in hire costs and lost income when we are unable to provide burial services.</p>

	<i>Option 1</i>	<i>Option 2</i>	<i>Option 3</i>
10. Funding strategy	The vehicle will be purchased outright using funds from the cemetery reserve fund	The vehicle will be purchased outright using funds from the cemetery reserve fund	There is not purchase cost using this option and all costs would fall within local risk budget
11. Estimated capital value/return	<p>Outright purchase cost £90,000</p> <p>Total new grave burial income per year £500,000+</p> <p>Income for the life of the vehicle £5M+</p> <p>Residual Value of vehicle at end of life £15,000.</p> <p>This does not include staffing and fuel costs but demonstrates the income generated using the vehicle and therefore the potential income that would be lost if it were not replaced.</p>	<p>Outright purchase cost £90,000</p> <p>Total new grave burial income per year £500,000+</p> <p>Income for the life of the vehicle £5M+</p> <p>Residual Value of vehicle at end of life £15,000.</p> <p>This does not include staffing and fuel costs but demonstrates the income generated using the vehicle and therefore the potential income that would be lost if it were not replaced.</p>	There is no capital investment with this option.
12. Ongoing revenue implications	The maintenance costs are estimated at £5,000 per year based on previous models. This is in line with maintenance costs of the vehicle being replaced and can be met from existing local risk budgets.	<p>The maintenance costs are estimated at £5,000 per year based on previous models</p> <p>This is in line with maintenance costs of the vehicle being</p>	Revenue implications are that the vehicle is used to dig graves for new burials and this function produces £500,000+ per year.

	<i>Option 1</i>	<i>Option 2</i>	<i>Option 3</i>
		replaced and can be met from existing local risk budgets.	This income is at risk if a new vehicle is not purchased.
13. Investment appraisal	<p>This is a simple vehicle purchase of a machine that is critical to our grave digging operations</p> <p>The investment appraisal is to purchase the recommended vehicle in order to protect income. The recommended option is tried and tested and the only real option available on the market and the income means that the vehicle will pay for itself within the first two years.</p>	This is a simple vehicle purchase of a machine that is critical to our grave digging operations	This option (to do nothing) is not recommended as it puts an essential cemetery function at risk.
14. Affordability	Funding has been agreed by PHES Committee	Funding has been agreed by PHES Committee	This is a high risk option and not recommended
15. Procurement strategy/route to market	<p>The procurement route has been agreed;</p> <p>To seek three quotations for the supply of the vehicle on an outright purchase basis.</p>	The procurement route has been agreed	N/A
16. Legal implications	None	None	None

	Option 1	Option 2	Option 3
17. Corporate property implications	None	None	None
18. Traffic implications	None	None	None
19. Sustainability and energy implications	. There are currently no electric or hybrid vehicles of this nature available. This option has the most up-to-date and energy efficient engine available and the company is one of the market leaders for this type of equipment	There are currently no electric or hybrid vehicles of this nature available. This option has the most up-to-date and energy efficient engine available and the company is one of the market leaders for this type of equipment	N/A
20. IS implications	none	none	none
21. Equality Impact Assessment	<ul style="list-style-type: none"> an equality impact assessment will not be undertaken 	<i>an equality impact assessment will not be undertaken</i>	<i>an equality impact assessment will not be undertaken</i>
22. Data Protection Impact Assessment	None	None	None
23. Recommendation	Recommended	Not recommended	Not recommended

